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Secret sharers: Bell (left), Zacharski and Wesolowska, Hughes radar headquarters

Poland's Man in Playa Del Ray

William Holden Bell, a middle-aged engineer for the Hughes Aircraft Co., had a money problem. He had just emerged from a messy divorce and married a Pan Am stewardess 25 years his junior. He wasn't a flashy type, but he did buy an expensive new car, began to travel more and he especially wanted \$12,000 for a down payment on a condominium situated on an ocean bluff in Playa Del Ray, Calif. That was a few years ago—and Bell chose to avoid a bank in relieving his financial pressures. Instead, the congenial 29-year veteran of one of the nation's largest defense contractors wagered his career and reputation by agreeing to sell secrets to a spy for the Polish Government.

Bell lost his bet: last week FBI agents arrested him and Marian W. Zacharski, 29, a Polish national recently named president of the Polish American Machinery Corp., an Illinois-based firm 90 per cent owned by the Polish Government. As the two men were arraigned on espionage charges in a Los Angeles courtroom, U.S. officials were beginning to realize that Bell's betrayal had caused some serious damage. Although Bell did not have access to "top secret" company documents, he admitted he delivered "secret" information that included photographed documents of some of Hughes's newest weapons and radar systems to Polish agents. Officials assumed the information already had been passed to the Soviet Union, causing what one official called a "very serious" breach in national security.

The episode is the latest in what U.S. officials call a concerted, Soviet-inspired effort to pirate U.S. military and technological secrets from American industry.*

*In a somewhat similar case four years ago, Christopher Boyce, a young clerk for TRW, Inc., in Redondo Beach, Calif., was convicted of using his security clearance to obtain secret documents on a proposed satellite system that would have enabled U.S. agents to communicate with each other. Boyce allegedly released the documents to a Soviet agent and was

NEWSWEEK has learned, for example, that the Soviets have targeted the super-secret stealth-bomber program as their next major espionage objective, prompting efforts to tighten U.S. security procedures for all defense installations involved in the project. But in this new era of industrial spies, many of them motivated by money rather than an ideological commitment to communism, few high-tech companies are safe. With more communist diplomats, students and trade groups in the United States than ever before, the FBI alerted defense contractors to be on the lookout for anyone who seems interested in more than a plant tour. "In the last decade," says Edward O'Malley, the FBI's assistant director for intelligence, "the threat has increased substantially."

William Bell serves as a reminder of how serious that threat has become. Bell joined Hughes in 1952, passed the extensive background checks that gave him access to classified material and became project manager for Hughes's radar-systems group in 1976. In late 1977 or early 1978, according to affidavits filed in court last week, Bell met Zacharski at the condominium complex where both men lived quiet lives with their families. They became friends, tennis partners and confidants; when Bell mentioned his money problems, Zacharski offered help—in exchange for the right Hughes documents. Nearly a year after their first meeting, Bell delivered some unclassified documents for \$5,000. A few weeks later a \$7,000 payment was made—and Bell realized that he had compromised himself and would have to deliver "secret" documents to satisfy his new benefactor.

The operation quickly became the stuff of a B-movie thriller. Zacharski furnished Bell with sophisticated spy gear, including special film and a motion-picture camera capable of taking single-frame exposures. In November 1979, Bell made the first of

delivered rolls of film to Polish agents who identified themselves with the code phrase, "Aren't you a friend of Marian's?" It was agreed that Bell would be paid \$3,000 a month in U.S. currency and a lump sum of \$60,000 a year, plus travel expenses. In exchange, Bell was told what documents the Polish agents wanted—and Bell furnished them in two trips to Austria in 1980 and one to Switzerland last April. For his trouble, Bell says he received a total of \$110,000, mostly in \$100 bills and gold coins.

FBI officials suspected Zacharski of being a Polish spy almost from the moment he arrived in the United States in 1977. They also knew in early 1979 that classified radar documents at Hughes were being transmitted to Polish agents. But Bell escaped notice by making most of his drops in Europe. Finally, a "sensitive source" tipped the FBI to the scheme, and agents confronted Bell on June 23. He immediately confessed and agreed to cooperate.

'No Problem': To snare Zacharski, FBI agents wired Bell with a recording device, and last week the two men held their final meeting, talking about new secret documents to be filmed and Bell's request that he be paid in cash rather than gold. "No problem," Zacharski replied. Hours later both men were arrested—just two weeks before Zacharski was to move to Illinois to head his company's U.S. operation.

After an arraignment last week on charges that the two men conspired to gather and deliver information to aid foreign governments, Bell was released on \$50,000 bond. Zacharski was held without bail: officials feared that he might flee to the nearest Polish Consulate, ruining their hopes of convicting him of espionage and then arranging a prisoner swap for Alicja Wesolowska, a former United Nations employee convicted in Poland in 1980 of spying for the West. Both men could be sentenced to life in prison if convicted, but with Wesolowska as the new wild card William Bell may be the only one to ever serve time.

